



Agenda Item Number: 2005-2-2B

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: February 22, 2005

Department: Housing **Staff Contact:** Richard Chavez, Director
Julie Baca, Deputy County Manager for
Community Services

TITLE: State Affordable Housing Tax Credit Act

ACTION: Proclamation supporting the enactment of a State Affordable Housing Tax Credit Act by the New Mexico State Legislature.

SUMMARY:

The proposed New Mexico Tax Credit program is modeled on the current, proven and effective Missouri and Illinois Affordable Housing Tax Credit Programs. For every dollar donated to a New Mexico Mortgage Finance Authority (NMMFA) approved affordable housing project, it will provide businesses, individuals, and local governments with a \$.60 credit towards their state tax liability. This will enable any individual or business to off set their state tax liability by investing in an affordable housing project within New Mexico.

The difference in this program and the federal tax credit is that these tax credits can be applied to single-family developments, whereas the federal program only deals with multi-family developments. By enabling affordable housing projects to solicit investors this program will increase the private sector investments in affordable housing projects. In addition, this source of funding will provide leverage against other state and federal funding sources for affordable housing projects throughout New Mexico.

ATTACHMENT:

1. Draft Proclamation